IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY PETITION NO.38 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.1124 OF 2006

In the matter of the Scheme of Arrangement of Kovalam Hotels Limited with Hotel Leelaventure Limited

Kovalam Hotels Limited.. Petitioners
(Transferor Co.)

WITH

COMPANY PETITION NO.733 OF 2007
CONNECTED WITH
COMPANY APPLICATION NO.749 OF 2007

Hotel Leelaventure Limited Petitioners.
(Transferee Co.)

Mr Harinder Toor with Rajesh Shah i/b Rajesh Shah & Co, for the petitioners.

Ms K.V.Gautam, Dy. Official Liquidator only in CP No. 38 of 2007.

Mr C.J.Joy with N.D.Sharma and Mr G.C.Mishra, for Regional Director in both the petitions.

CORAM: D.B.BHOSALE, J.
DATED: 02.11. 2007.

P.C.:

1. Heard learned counsel for the parties.

2. The sanction of the court is sought under sections 391 to 394 of the Companies Act, 1956 to a Scheme of arrangement of Kovalam Hotels Limited (for short, "transferor company") with Hotel Leelaventure Limited (for short, "transferee company").

3. Counsel appearing on behalf of the Petitioners has stated before the court that insofar as transferor is concerned: (i) the equity shareholders at their meeting held on 4.12.2007 have approved the scheme by majority in number and 3/4th in value; (ii) all the secured creditors have granted their consents; and (iii) individual notices were dispatched to all the unsecured creditors in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

4. Insofar as the transferee is concerned, the court has been informed by the learned counsel that: (i) the equity shareholders at their meeting held on 13.8.2007 have approved the scheme unanimously; (ii) all the secured creditors have granted their consents; and (iii) individual notices were dispatched to all the unsecured creditors in pursuance of the directions issued by this court while dispensing with the convening of the meeting of the unsecured creditors.

5. Upon perusal of the entire material placed on record, the scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to any public policy.None of the parties concerned has come forward to oppose the scheme. Moreover, both the Regional Director and the Official Liquidator have stated that the scheme as proposed is

not contrary to the public interest or prejudicial to the interest of share holders or creditors.

6. There is no objection to the scheme and since all the requisite statutory compliances have been fulfilled, Company Petition No.38 of 2007 filed by the transferor company is made absolute in terms of prayer clauses (a) to (j). Company Petition No.733 of 2007 filed by the transferee company is also made absolute in terms of prayer clause (a) to (i).

7. The transferee company to lodge a copy of this order and the scheme with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 30 days of obtaining the certified copy and/or an authenticated copy of the order.

8. The petitioners in both the company petitions to pay cost of Rs.5000/- each to the Regional Director and to the Official Liquidator by the petitioners in the petition filed by the transferor company.Costs to be paid within four weeks from today.

9. Filing and issuance of the drawn up order is dispensed with.

10. All authorities concerned to act on a copy of

this order duly authenticated by the Registry.

(D.B.BHOSALE,J.)